

How to Evaluate Mutual Funds and ETF

I had the opportunity to attend this seminar virtually through New York Public Library back on 6/25/25. The presenter was a financial advisor, Peter Creedon. In this report, I am going to summarize the seminar, well at least the part I stood for.

ETFs (Exchange Traded Funds)

- Pooled investment
- Trades on Exchange
- ETFs have lower expense ratios
- They are intended for small sized investors

Mutual Funds

- Buy after market closing
- Annual Fees
- Apart of employer sponsored retirement plans
- Also, a pooled investment like ETF

Active Management

- Larger Teams
- Larger Turnover ratio

Passive Management

- Smaller Teams
- Smaller turnover ratio
- Look for smaller expense ratio

Qualified Dividends

Long Term Gain taxed at whatever your tax bracket is.

Ordinary Dividends

Taxed as ordinary income amount

Holding Period

Holding for a 1 year and a day is considered a long-term gain, anything shorter than 1 year is considered a short-term capital gain.

Transaction Fees

- Commission Fees
- Exchange fees
- Brokerage fees

Questions to ask

- How do they make money?

Resources

- <https://www.morningstar.com/> (New York Public Library subscribes to this database.)